# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:5361
ANSWERED ON:28.04.2000
FISCAL DISCIPLINE
C.P. RADHAKRISHNAN;JAI PRAKASH

**Will the Minister of FINANCE be pleased to state:**

(a) Whether the Government are working towards framing a FiscalResponsibility Act to create institutional mechanism for effective fiscal management;

(b) if so, the details thereof and the time by which the enactment is likely to be presented to Parliament; and

(c) the further steps are proposed in order to ensure the credibility of the budget exercise and revive the fiscal discipline?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): Yes, Sir.

(b) & (c): The Government has set up a Committee under thechairmanship of Secretary (Economic Affairs) to go into various aspects of the matter concerning enactment of a `Fiscal Responsibility Act` and recommend a draft legislation. The exercise is intended for medium-term management of the fiscal deficit with the support of a strong institutional mechanism embodied in a Fiscal Responsibility Act. As announced by the Finance Minister in the Budget Speech 2000-01, Government hopes to bring thenecessary legislative proposals during the course of the year (vide para 11 ibid).